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ROUTING AND RECORD SHEET

10 Aug 54

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

R/AN

NO.

EGMA-12115

DATE

TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
		REC'D	FWD'D		
1. EE Reg. K2022			18 AUG 1954	[]	100 w/att to EE/FIS <div style="border: 1px solid black; padding: 5px; text-align: center;"> MICROFILMED AUG 7 1962 DOC. MICRO. SER. </div>
2.				[]	
3. EE/H			AUG 19 1954	[]	
4. []				[]	
5.					4-6. This info is pretty outdated. The Forces-2900 combination has been operative for about a year.
6. EE/FIG/CE		30 AUG 1954	30 AUG 1954	[]	
7.					
8.					
9.					
10.					X-Ry[C]
11.					
12.					
13.					
14.					
15. FI					<div style="display: flex; justify-content: space-between;"> <div>200</div> <div>6</div> <div>12</div> <div>80</div> </div> <div style="display: flex; justify-content: space-between;"> <div>ABSTRACT</div> <div>X</div> <div>INDEX</div> <div>X</div> </div> <div style="text-align: right;">DTT</div> <div style="display: flex; justify-content: space-between;"> <div>DATE</div> <div>17 AUG 1954</div> </div>

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VIA: AIR
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. EGMA-12145

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CLASSIFICATION

TO : Chief, EE

DATE: 10. Aug. 1954

FROM : Chief of Mission, Frankfurt

INFO: COM

SUBJECT: GENERAL— Operational/CART/

SPECIFIC— Hungarian Military Circles-in-Exile

MICROFILMED

AUG 7 1962

DOC. MICRO. SER.

References - A. EGMA-10134, 9 March 1954
B. EGMA-11538, 21 June 1954

1. Forwarded as attachment is a report on developments in Hungarian military circles-in-exile over the period April-May 1954. is Source (300); Sub-source (302) is General Gustav HENNIKY.

2. The report deals with the reactions of various Hungarian military circles to the recent alliance between Generals ZAKO and FARKAS, plans of ZAKO and FARKAS to consolidate this alliance and give it life and sub-source's views on the support the alliance can expect to receive from various quarters. We note that sub-source now claims that von MENDE supports ZAKO and rejects FARKAS, whereas previously (see Reference A) he had reported it as vice versa. We shall try to find out from sub-source which is correct. We also note that ZAKO is reported as having gone to work for the Bundesamt fuer Verfassungsschutz and as having succeeded in "placing several of his people in the GEHLEN organization". We will attempt to pin sub-source down to more exact details on these points; we have no other confirmation of this information.

3. We refer you to references which forwarded reports 22-1-54, 5-2-54, 3-3-54 and 3-5-54 for background to this report.

Enclosure:

Report No. 9-7-54

7 August 1954

Distribution:

3 - WASH w/2 encls. - DIRECT
3 - COM w/1 encl.
2 - MOB w/2 encl.

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21 July 1954

Subject : Hungarian Military Circles-in-Exile

Date of Information : April - May 1954

Source : 300

Sub-Source : 302

Evaluation of Information : 3

1. Sub-Source has learned that the agreement reached between the Hungarian Generals ZAKO and FARKAS in March 1954 has resulted in a revival of tensions within the Hungarian emigration. Tibor ECKHARDT, head of the military section of the Hungarian National Committee (USA), who formerly as a member of the MHBK (Comradeship Association of Hungarian Veterans - KUF) openly sided with (General) ZAKO, declared his resignation from the MHBK on 7 April 1954. ECKHARDT explained this step with the assertion that General ZAKO has added a political tinge to the purely military character of the veterans' organization as a result of his understanding with General FARKAS. Additional resignations came from General KISFOELUDY, ZAKO's representative for Carinthia, Austria, residing in Klagenfurt; (Dr.) Tibor MITROVIC, ZAKO's representative in Stuttgart; and (Colonel) BIRO, representative in Ingolstadt, followed by the entire Ingolstadt group. They blame ZAKO for not having consulted the organizational committee of the MHBK which is alone competent to make such decisions. On FARKAS's side, (Dr.) Tibor TORMA, former Hungarian police inspector, and Munich representative of General FARKAS, left the organization in protest of the agreement reached with ZAKO.
2. In the face of these losses, especially ECKHARDT, FARKAS and ZAKO seemingly felt compelled to seek renewed support. Thus, on 2 May 1954, (presumably at ZAKO's and FARKAS's prompting) the 83-year old Archduke JOSEPH, who lives in Regensburg, published a manifesto in which he referred to his rank of Hungarian Marshal and the fact that he was the oldest soldier in the Hungarian Army. He stated that, in view of these circumstances, he felt that he was entitled to entrust the leadership of the MHBK to ZAKO and FARKAS.⁽¹⁾ On 7 May 1954, JOSEPH also wrote a letter to Archduke OTTO of HABSBURG (pretender to the Austrian throne) in which he asked Archduke OTTO to give his consent to his (JOSEPH's) manifesto. OTTO has not answered this letter, and does not intend to do so.

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The reasons for this are: (a) For a long time, OTTO has not agreed with JOSEPH's political activity and is on ill terms with him; (b) OTTO is said to reject both ZAKO and FARKAS. Despite differences in the past, OTTO sympathizes with (Admiral) von HORTHY and has visited him several times in Portugal. HORTHY also rejects JOSEPH's activity. At a discussion between OTTO and General HENNYEY, OTTO advocated the person of General Hugo SONYI (who is actually the highest ranking Hungarian officer in the emigration). General SONYI has also published a communique, in late May 1954, in which he commented against JOSEPH's manifesto and the tendency to involve the MHBK in politics. (2)

- James*
3. Meanwhile, ZAKO and FARKAS have jointly set to work. They are contacting various persons and groups in an attempt to win cooperation for their proposed consolidation, though they have not decided as to the organizational form this consolidation will take. (3) ZAKO and FARKAS plan to establish bases within all countries with Hungarian emigrants, thus forming a world-wide organization to validate their claim to participation in the Hungarian National Committee, or, at least, to American support. Sub-Source states that such action would meet with favorable reaction from most of the Hungarian emigration since dissatisfaction with the HNC is general, primarily due to the participation of leftist politicians, such as PFEIFER, VARGA, NAGY, etc. It is believed FARKAS and ZAKO will be able to establish large local organizations in South-America, Australia, Germany and Austria. However, without financial support, especially American support, the prospects of ZAKO and FARKAS are dim. In order to secure American support, attempts are being made at present to interest (US Senator) ARMSTRONG in the possibilities of their organization. Close contact is also being sought with the investigating committee of Senator KERSTEN. In case American financial assistance cannot be obtained, financial support from Anton SORG, Buenos Aires, large-scale Hungarian building contractor, has been secured. SORG has nationalist views and is an opponent of the HNC. His ambition is to form a counter-committee to the HNC. Recently, he travelled through Europe, visited Rome where he had a lengthy talk with Vatican circles, and came to Germany where he also made a two-hour visit to RFE.
4. Sub-Source also learned, in trips to Bonn and Rome to secure political support for his own activities, that ZAKO and FARKAS could not expect support from either the Vatican or the German Government. In Rome, Sub-Source spoke with numerous Hungarian diplomats in exile and with circles closely affiliated with the Vatican. From talks with Baron OPOR (former Hungarian diplomat, ex-secretary general of the Hungarian Ministry for Foreign Affairs, former Hungarian ambassador to the Vatican, and present chancellor of the Maltese Order of the Vatican), Sub-Source gained the

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conviction that the Vatican would not support ZAKO and FARKAS (despite their strong Catholic ties). This he attributes to Baron OPOR's pronounced anti-FARKAS attitude. During his trip to Bonn, Sub-Source spoke with Mr. GOLDSMITH (Refugee Ministry), MAINLAND and Von WELK (Foreign Office), and Prof. von MENDE, among others. According to his impressions, ZAKO and FARKAS also cannot expect official Bonn support; however, there are numerous unofficial circles, including Federal Minister OBER-LAENDER, on an unofficial basis, who are highly sympathetic to the two. Another is Professor von MENDE who supports ZAKO, though he rejects FARKAS entirely. Von MENDE has reportedly put ZAKO in contact with the British.⁽⁴⁾ Sub-Source also learned, from unnamed persons, that ZAKO recently began working for the Bundesamt fuer Verfassungsschutz and succeeded, at the same time, in placing several of his people in the "Gehlen organization". All of these measures are interpreted as an attempt by ZAKO, in the event he does not obtain direct recognition by the Americans, to secure support from the Germans or the British at a later date.

5. Sub-Source reports that a negative report was filed on ZAKO and FARKAS with the Bonn Government some time ago as a result of a lengthy talk George B. BESSENYEY, foreign policy head of the HNC (USA), held with the German Ambassador to Washington, D.C. BESSENYEY submitted to the ambassador an expose of the Hungarian emigration in Germany which contained data allegedly showing the dangers which might result for the German Government should the Germans give support to ZAKO and FARKAS. The ambassador forwarded this to Bonn.
6. It is also Sub-Source's impression that ZAKO and FARKAS will be unable to achieve the cooperation of the German expellees. Thus, for example, LODGMAN von AUEN recognizes only General HENNYEY, and refuses to receive General FARKAS. Lately, LODGMAN has supposedly adopted the attitude that "he cannot cooperate with East-European politicians-in-exile who are not accepted by the USA".⁽⁵⁾
 - (1) Sub-Source comment: In Hungarian political circles JOSEPH is considered a "politically unprincipled" officer. He has cooperated both with the extreme leftists (1918-1923) and the extreme rightists (1944-1954). He considers himself an ethnic German and draws a pension in Bavaria. His rank of marshal was held in the Austrian (prior to 1918) and not the Hungarian Army.
 - (2) Sub-Source comment: General SONYI's son, on the other hand, is a close confidant and advocate of General ZAKO. SONYI's son reportedly works for British Intelligence in Cologne.

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- (3) Sub-Source comment: According to unconfirmed reports, it is planned to appoint Ludwig LIPTOY as the future president of this new organization. LIPTOY is a former banking director in Budapest and former member of the Hungarian parliament. He has pronounced rightist-radical views. His present address is Lindenberg, Southern Wuerttemberg.
- (4) Sub-Source comment: Another of ZAKO's affiliates, in addition to General SONYI's son (see (2) above), who reportedly cooperates closely with British Intelligence is Captain Anton RANDOLCZY, Munich, former Hungarian General Staff officer.
- (5) Source comment: If true, this represents a complete reversal of attitude on the part of LODGMAN who has formerly been outspokenly anti-American due to the fact that the Americans supported the Council of Free CSR (Rada).

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